

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5687
ANSWERED ON:30.04.2010
NATIONAL ELECTRONIC FUND TRANSFER
Sugavanam Shri E.G.

Will the Minister of FINANCE be pleased to state:

- (a) whether the banks have started National Electronic Fund Transfer (NEFT);
- (b) if so, the features of the scheme and the estimate number of transactions taking place in a month;
- (c) whether there are proposals to extend the operating hours of NEFT system and also to strengthen the same; and
- (d) if so, the details thereof and action taken thereon?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b) : Yes, Sir. Presently, 95 banks are participating in National Electronic Funds Transfer (NEFT) System. NEFT is a nation-wide system that facilitates individuals to electronically transfer funds from any bank branch to any other bank branch in the country. During the month of March 2010, 82.77 lakh transactions were processed under the NEFT system.

(c) & (d) : NEFT is a secure mode of transferring funds and uses the Public Key Infrastructure (PKI) technology to ensure end-to-end security. It rides on the Indian Financial Network (INFINET) to connect the bank branches. The need for extending operating hours, if any, is considered by the Reserve Bank of India (RBI) as and when felt necessary in consultation with the stakeholders. The operating hours of NEFT which were from 9.00 am to 5.00 pm on weekdays and from 9.00 am to 12 noon on Saturdays were increased w.e.f. March 1, 2010. NEFT presently operates from 9.00 am to 7.00 pm on weekdays and from 9.00 am to 1.00 pm on Saturdays.